

Texas Emissions Reduction Plan (TERP)

Rebate Grants Program

Grant Application Workshop





Workshop Agenda

- TERP Overview
- Rebate Grants Overview
 - Application Forms
 - Rebate Tables
- Questions and Answers



What is TERP?

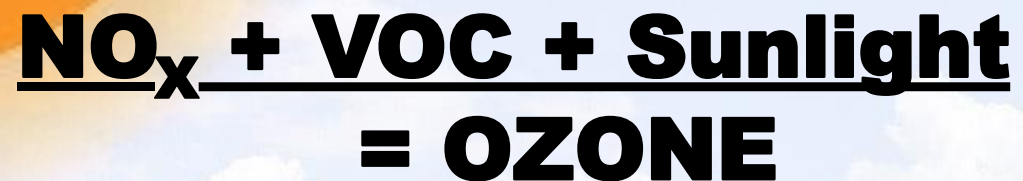
- Provides grants to reduce nitrogen oxides (NO_x) emissions from mobile sources
- Supports programs to encourage the use of alternative fuels for transportation in Texas
- Helps to keep the air in Texas clean

**GET MONEY TO UPGRADE OR REPLACE
YOUR TRUCK OR EQUIPMENT - AND KEEP
THE AIR CLEAN!**



Why Reduce NO_x Emissions?

Ground level ozone is created by chemical reactions of NO_x and volatile organic compounds (VOC) in the presence of sunlight.





Mobile Sources of NO_x





How Does TERP Reduce NO_x Emissions from Mobile Sources?

- Through the early retirement of heavy-duty vehicles and pieces of equipment, particularly those with large diesel engines
- By replacing older engines with newer models with more stringent federal emission standards for NO_x and other pollutants





TERP Grant Programs

Diesel Emissions Reduction Incentive (DERI) Program

Emissions Reduction Incentive Grants (ERIG) Program

Rebate Grants Programs

Third-Party Grants Program

Texas Clean Fleet Program (TCFP)

Texas Natural Gas Vehicle Grant Program (TNGVGP)

Seaport and Rail Yards Emissions Reduction (SPRY) Program

Texas Clean School Bus (TCSB) Program

Light-Duty Motor Vehicle Purchase or Lease Incentive (LDPLI) Program

Alternative Fueling Facilities Program (AFFP)

New Technology Implementation Grants (NTIG) Program



Rebate Grants Program

The Rebate Grants Program provides financial incentives to repower or replace older heavy-duty diesel vehicles and select non-road diesel equipment to reduce NO_x emissions in ozone nonattainment areas and other areas of concern for air quality.





Rebate Funding

- Approximately \$20 million is available under this Request for Grant Applications.
 - \$5 million will be set aside for applications from entities that qualify as a small business as explained in the Request for Grant Applications.
 - \$10 million will be set aside for applications from entities and individuals that were affected by Hurricane Harvey.
- Grants are awarded on a first-come, first-served basis.



Eligible Applicants

- Eligible applicants include individuals, corporations, organizations, governments or governmental subdivisions or agencies, business trusts, partnerships, associations, or any other legal entity.
- Persons who operate or plan to operate on-road heavy-duty vehicles or select non-road equipment in the eligible areas.



Eligible Areas

- Austin
- Beaumont-Port Arthur
- Corpus Christi
- Dallas-Fort Worth
- El Paso
- Houston-Galveston-Brazoria
- San Antonio
- Tyler-Longview
- Victoria

Diesel Emissions Reduction Incentive Program

Rebate Grants Program Eligible Counties



Austin Area:

Bastrop
Caldwell
Hays
Travis
Williamson

Beaumont- Port Arthur:

Hardin
Jefferson
Orange

Corpus Christi Area:

Nueces
San Patricio

Dallas- Fort Worth:

Collin
Dallas
Denton
Ellis
Henderson
Hood
Hunt
Johnson
Kaufman
Parker
Rockwall
Tarrant
Wise

Houston- Galveston- Brazoria:

Brazoria
Chambers
Fort Bend
Galveston
Harris
Liberty
Montgomery
Waller

San Antonio Area:

Bexar
Comal
Guadalupe
Wilson

Tyler- Longview:

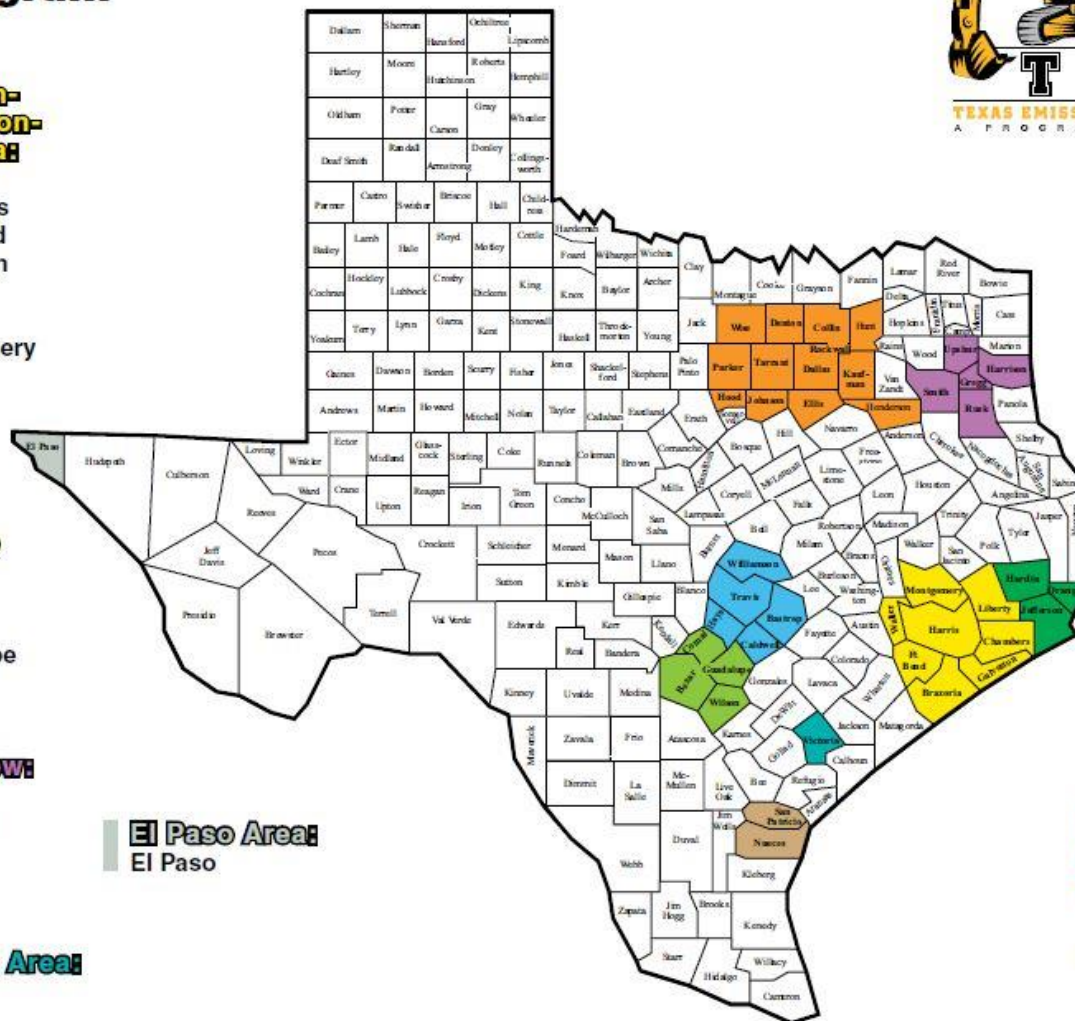
Gregg
Harrison
Rusk
Smith
Upshur

Victoria Area:

Victoria

El Paso Area:

El Paso



June 2014



General Requirements

- **On-road heavy-duty vehicles** must have a gross vehicle weight rating (GVWR) of greater than 8,500 pounds and be certified by the Environmental Protection Agency (EPA) to the heavy-duty vehicle federal emission standard.
- **Non-road equipment** must have a horsepower (hp) rating of 25 or greater.



**Non-Road
Equipment**

**On-Road
Vehicles**





Eligible Project Categories

- **Replacement:** This category is for the replacement of an on-road heavy-duty diesel vehicle or a non-road heavy-duty piece of diesel equipment with a newer on-road heavy-duty vehicle or non-road heavy-duty piece of equipment powered by diesel, natural gas, propane, or electricity.
- **Repower:** The replacement (repower) of an existing engine in an on-road heavy-duty diesel vehicle or a non-road heavy-duty piece of diesel equipment with a new, rebuilt, or remanufactured engine.



Replacement & Repower Project Requirements

- For at least the two years immediately preceding the submission of the grant application, **on-road heavy-duty vehicles** being replaced must have:
 - been owned, leased, or commercially financed by the grant applicant;
 - been used in its primary function in the routine operations of the applicant in Texas;
 - been continually registered and used in Texas; and
 - continuously had an up-to-date safety inspection.
- For at least the two years immediately preceding the submission of the grant application, **non-road heavy-duty equipment**, replaced must have been:
 - owned by the grant applicant; and
 - been used in its primary function in the routine operations of the applicant in Texas.



Replacement Project Requirements

- Vehicles/equipment being replaced must have a remaining useful life equivalent to the designated activity life.
- The new engine must be certified to emit at least 25% less NO_x than the engine being replaced.
- The new vehicle must be a vehicle model year **2014** or newer.
- The new equipment must have an engine with a manufacture year 2014 or newer.
- For **on-road heavy-duty vehicles**, the replacement must be of the same vehicle type, weight category, and body and axle configuration as the vehicle being replaced.
- For **non-road heavy-duty equipment** the replacement must be of the same equipment type and intended for the same or similar purpose as the equipment being replaced.
- The vehicle/equipment being purchased may not have been acquired before the opening of the grant round.



Repower Project Requirements

- The new engine must be certified to emit at least 25% less NO_x than the engine being replaced.
- The repower of an existing engine may not have occurred prior to 12 months before the end date of the application period.





Hurricane Harvey Exceptions

In the aftermath of Hurricane Harvey (Harvey), the TCEQ will implement special policies and procedures to encourage the repower or replacement of vehicles and equipment damaged or destroyed by Harvey with cleaner models.

The TCEQ is providing an exception to the requirement that a vehicle or equipment included in a grant application to be replaced or repowered is currently being used in its primary function in the routine operations of the applicant as a result of impacts caused by Harvey.



Hurricane Harvey Exception

If you are requesting a Harvey Exception:

- Download the **Hurricane Harvey Exception Form** the TERP website www.terpgrants.org. Complete and submit the form with the project application.
- Disclose any and all **insurance claims and payments received** or to be received for the vehicle or engine.
- Secure a **Texas Non-repairable Vehicle Title** for the destroyed vehicle to submit with the project application.
- Include **color photographs** of the destroyed vehicle or engine with the application.



Eligible Grant Amount

- The requested grant amount may not exceed the incremental cost and cost per ton limits set by the TCEQ.
- The grant recipient may be eligible for reimbursement of up to 80% of the incremental cost, not to exceed the maximum rebate grant amount established by the TCEQ for that activity.
 - For **replacement** projects, the incremental cost is the cost to purchase the replacement vehicle minus the scrap value (\$1,000) of the vehicle being replaced.
 - For **repower** projects, the incremental cost is the cost to purchase and install the replacement engine and associated equipment, minus the scrap value (\$200).



Usage Commitment

At least 75% of the annual usage (miles or hours use) of the vehicle/equipment must occur in the eligible counties.

CAUTION: Do not overstate the percentage of use in the eligible counties. You may be obligated to return grant funds if you do not meet the percentage in area commitment.

Note: For the Rebate Program, there is not an option to operate a vehicle on designated highways to meet part of the percentage-of-use requirement.



Activity Life Commitment

- The Activity Life is the period of time used to determine the emissions reductions.
- Applicants may choose an activity life of 5 or 7 years.
- All grant recipients must track and report on the use and location of all grant-funded equipment for the Activity Life.
- Reports will be due annually over the Activity Life.



Application Review and Selection

- Applications will be awarded on a first-come, first-served basis.
- The TCEQ will review the applications and will, to the extent possible, notify applicants of any needed changes or additional information.
- The TCEQ will work with applicants, to the extent possible, to correct problems with applications and to obtain all necessary information and documentation in order to consider the application complete.



What happens next if my project is awarded a grant?

- **Contracting**

- A contract will be sent to an applicant selected for award to sign and return.
- The TCEQ will provide a Notice to Proceed (NTP) to the grant recipient when/if funds are available to cover the grant.

- **Reimbursement**

- Payments will be made on a reimbursement basis for eligible expenses incurred and paid by the grant recipient.
- A cost may not be considered incurred until the grant-funded goods and services have been received and accepted by the grant recipient.
- Grant recipients may assign the grant payment to a dealer or financing entity.



What happens next if my project is awarded a grant?

- **Disposition of Old Vehicles/Equipment**
 - Old vehicles/equipment must be destroyed.
 - Disposition verification must occur no later than 90 days after payment from the TCEQ.
 - A non-repairable title will be required for on-road vehicle disposition.



What happens next if my project is awarded a grant?

- **Monitoring and Enforcement**
 - The grant recipient must submit usage reports once per year for the duration of the activity life.
 - TCEQ will conduct on-site visits to view the equipment and ensure usage records are being maintained.
 - Failure to report or failure to meet the usage commitments may result in the recipient having to return a share or all of the grant funds.



Global Positioning System

- If the applicant uses the TCEQ-authorized service provider, the TCEQ may allow the vendor to provide the required usage reports.
- Only the costs to purchase and install a GPS unit to track and log the location and use of the equipment may be included in the incremental cost calculation (these costs will count towards the applicable cost limits).
- The applicant will be responsible for ongoing operational and maintenance charges.




How can I get help?

- **TERP staff is available to assist with the application process free of charge. Call us!**
 - TCEQ staff are available to answer questions by phone or walk-in appointment at the TERP offices in Austin.
- Consultants may be available to assist with the application process.
 - The TCEQ has no business relationship with these consultants.
 - It is the applicant's choice to work with a consultant.
 - Consultant fees for the preparation of a grant application, either directly or as an addition to the cost basis of the grant funded vehicle, equipment, or engine, are not eligible costs.



TERP E-Mail Updates

www.terpgrants.org

**TEXAS COMMISSION
ON ENVIRONMENTAL QUALITY**

Org Chart | A to Z index |


Home **Public** **Businesses** **Governments** **Air** **Land** **Water**

- Cleanups, Remediation
- Emergency Response
- Licensing
- Permits, Registration
- Preventing Pollution
- Recycling
- Reporting
- Rules

You are here: [Home](#) / [Air Quality](#) / [TERP](#)

Texas Emissions Reduction Plan (TERP)

The TERP program provides financial incentives to eligible individuals, businesses, or local governments to reduce emissions from polluting vehicles and equipment.



**GET MONEY TO UPGRADE OR
REPLACE YOUR TRUCK OR
EQUIPMENT—AND CLEAR THE AIR!**

New and upgraded equipment pollutes less, improving the air quality in Texas. **Grant applications are accepted at different times throughout the year, depending on available funds.**

We believe these to be taxable grants. Please consult with your tax advisor.

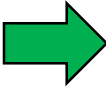
NEW ITEMS:

Proposed Revisions to TERP Rules and Guidelines

Proposed Rulemaking

The TCEQ has proposed revisions to the rules for the TERP Drayage Truck Incentive Program under 30 Texas Administrative Code Chapter 114, Control of Air Pollution From Motor Vehicles, §114.680 and §114.682. Copies of the proposed revisions

>> **Questions or Comments:**
terp@tceq.texas.gov

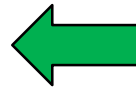



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Need more information?
Call (toll-free)
800-919-TERP (8377)
Or see [other contact info.](#)


Upcoming TERP Meetings and Workshops


- Information for potential applicants and interested parties: grant program workshops, application assistance sessions, and public meetings.





 Data and Records


 Forms


 Maps


 Public Notices

 Publications

 Webcasts

 TCEQ Online Services
e-Pay, Permits
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Filing, Comments

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Contacts

- Website: www.terpgrants.org
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